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SUBJECT: GRENADA WEEKLY ACTIVITY REPORT: OCTOBER 14 - 20, 2007

¶1. (U) Embassy Grenada's weekly activity report (GWAR) provides a little detail about events of interest that do not merit longer reporting at this time.

¶2. (U) Begin GWAR text:

¶A. Grenada's Private Sector Warms to VAT

Private sector entities are expressing confidence in the eventual implementation of value added tax (VAT) to replace Grenada's current schedule of taxes. VAT was originally scheduled to go into effect on October 1, 2007. The political opposition took advantage of the extended period between the 2006 announcement and the planned 2007 implementation to sow confusion, hinting that VAT would not replace but be added to the current taxes and that it would result in double taxation. The government's public education program appears to be working with the business sector. Further work to educate individuals should help as well. Note: VAT was removed after Hurricane Ivan devastated Grenada in 2004 rather than just suspended, in what was perhaps short-sighted political grandstanding by the ruling party.

¶B. Food Prices Rise

Milk (milk powder and canned as Grenada has no dairy industry) and flour prices, both on the list of staple food items with prices controlled by the government, are being allowed to rise. Already squeezed by high prices of food and other consumer goods, many imported from Trinidad, the U.S., Canada, and the UK, Grenadians grumble about the high cost of living, but seem resigned to continued bad news.

A large number of Grenadian farmers walked away from their land after hurricanes Ivan (2004) and Emily (2005) swept through, destroying most vegetation on the island. Production has not recovered to pre-2004 levels. The government in August of this year called on Grenadians to plant fruit trees and vegetable gardens to reduce their dependence on imported items, and lower their food bills.

¶C. October 19th Anniversary Observed

October 19 is not a public holiday, but relatives of those who died in the bloody end to Grenada's 1979-1983 revolution, as well as others who suffered at the hands of the People's Revolutionary Government (PRG) and Army (PRA) during their rule, observed a day of mourning. Prayer services were held during the day, culminating in an evening candlelight vigil at Fort George where former Prime Minister Maurice Bishop, members of his cabinet, and an unknown number of Grenadians were killed or injured.

Calls for the return of the bodies of Bishop et al - some directed at the United States - to their families were repeated.

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